

Nomura i-Income Fund - Class R

September 2024

Fund Manager's Commentary

In tandem with falling global yields, though at a smaller quantum, GII yield curve shifted lower marginally as US Fed began its highly-anticipated rate cut cycle. In particular, yields fell 1-4 bps MoM across the curve.

As widely expected, in its September Monetary Policy Committee meeting, Bank Negara Malaysia (BNM) maintained its Overnight Policy Rate (OPR) unchanged at 3.00%. BNM retained its neutral tone with a balanced outlook for both global and domestic economies. Global growth is expected to be sustained, supported by positive labour market conditions, continued recovery in global trade, moderating inflation, and less restrictive monetary policy, amid lingering downside risks. On the domestic front, economic activity continued to be driven by resilient domestic demand and higher export activity. Domestic inflation for the full year is expected to remain within the earlier projected ranges as the spillovers from the diesel price adjustment to broader prices have been contained. Separately, BNM indicated that the recent recovery in the ringgit is attributed by the expectations of lower interest rates in major economies as well as Malaysia's domestic economic strength. All in all, BNM reiterated that the current monetary policy stance remains supportive of the economy and is consistent with the current assessment of the inflation and growth prospects.

Strategy-wise, we remain cautious and conservative as the volatility remains high. We would prefer to keep our powder dry with a shorter duration awaiting a better opportunity to reinvest the portfolio.

Investment Objective

The Fund seeks to provide investors with regular income distributions through investments in Islamic deposits, Islamic money market instruments and sukuk.

Benchmark

12-month Malayan Banking Berhad General Investment Account Rate.

Distribution Policy

Distribution of income, if any, is on quarterly basis and may be made from realised gains, realised income and/or out of capital.

Cumulative Fund Returns (%)

	YTD 31/12/2023 To 30/9/2024	1 Month 31/8/2024 To 30/9/2024	3 Months 30/6/2024 To 30/9/2024	6 Months 31/3/2024 To 30/9/2024
Fund	3.51	0.57	1.59	2.54
Benchmark	1.90	0.23	0.68	1.29

Cumulative Fund Returns (%)

	1 Year 30/9/2023 To 30/9/2024	3 Years 30/9/2021 To 30/9/2024	5 Years 30/9/2019 To 30/9/2024	Since Commencement 5/1/2017 To 30/9/2024
Fund	-0.85	4.45	12.84	38.60
Benchmark	2.51	7.23	12.44	23.41

Calendar Year Returns (%)

	2023	2022*	2021	2020	2019
Fund	-0.11	0.61	0.83	7.01	10.35
Benchmark	2.45	2.22	1.95	2.50	3.45

Source: Refinitiv Lipper

Notes:

Performance data is calculated based on the changes in the Fund's NAV price per unit for the specified length of time and on the assumption that any dividends declared are reinvested into the Fund. Performance figures are presented in cumulative basis, unless indicated otherwise.

The Fund was launched on 7 November 2012. However, there were no units in circulation for the period between 21 March 2016 and 4 January 2017. As such, the Fund's performance figures are only available from 5 January 2017 onwards.

* The Fund was launched as a single class wholesale fund on 7 November 2012. Following the approval obtained from the unit holders at a unit holders' meeting, the Fund was subsequently converted to a unit trust fund and split to Class I and Class R on 1 October 2022. Hence, performance data prior to 1 October 2022 as shown in this material reflects the performance of the Fund as a single class wholesale fund.

FUND'S PAST PERFORMANCE IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE

Key Facts

Launch Date	07-Nov-12*
Fund Category	Islamic Fixed Income
Year End	31 December
Fund Size	MYR 23.59 million
Class Size	MYR 23.59 million
Units in Circulation (Class R)	29.13 million
NAV per Unit (Class R)	MYR 0.8097
Transaction cut-off time	Daily; 4:00 pm
Redemption Period	T + 3 business days

Sales charge

Nil

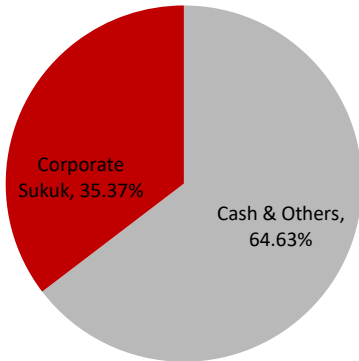
Management fee

Up to 0.40% per annum of the NAV of the Class.

Trustee fee

Up to 0.03% per annum of the NAV of the Fund, subject to a minimum fee of RM12,000 per annum.

Asset Allocation*



*Presented as a % of NAV as at 30 Sep 2024

Percentages may not add up to 100% due to rounding.

Included in 'Cash & Others' are cash on hand and Islamic deposits and other net current assets/liabilities.

Top Holdings*

Hong Leong Islamic Bank Berhad	21.72%
SPR Energy (M) Sdn Berhad	10.56%
Edra Energy Sdn Berhad	2.57%

Rating Profile*

AAA	21.72%
AA3	2.57%
B1	10.56%
B3	0.52%

Sector Breakdown*

Financial	21.72%
Energy and Utilities	13.13%
Real Estate	0.52%

Distribution By Financial Year

	2023	2022*	2021	2020
Distribution (RM)	0.0543	0.0140	0.0427	0.0486
Distribution Yield (%)	5.26	1.29	3.90	4.31

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Disclaimer:

Based on the Fund's portfolio returns as at 31 August 2024, the Volatility Factor (VF) for the Fund is 3.88 and is classified as "Very Low" (Source: Refinitiv Lipper). "Very Low" includes funds with VF that are above 0.00 but not more than 4.91. The VF means there is a possibility for the Fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Refinitiv Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The Fund's portfolio may have changed since this date and there is no guarantee that the Fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC.

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